

# Opportunities in Taiwan's Education Sector

## INTERNATIONAL STUDENT RECRUITMENT MARKET IN TAIWAN

### Taiwan Fast Facts:

Population: 23,464,787

GDP (USD): \$1.127 trillion

GDP (USD per capita): \$49,500

Total universities: 126

Students in universities: 1,332,445

Household spending on education: 3.4% of disposal income

Students in the U.S.: 21,127

Economic contribution to the U.S. by Taiwan students (USD): \$739 million

Top 3 U.S. states hosting Taiwan students: California, New York and Texas

According to IIE Open Doors, a non-for profit educational and cultural exchange organization in the United States, 21,127 students from Taiwan were studying in the United States during the 2015/16 academic year, up 0.6% from the previous year. This increase is very encouraging, as the number of Taiwan students going to the U.S. had been in decline for the past eight years. Taiwan is currently the seventh leading place of origin for students coming to the United States, and the largest portion of Taiwan students in the U.S. study at the graduate level, with the overall breakdown as follows: 30.1% undergraduate students; 43.4% graduate students; 7.5% other; 19.0% OPT (Optional Practical Training).

Taiwan's education landscape is currently undergoing a major overhaul to address the issue of overcapacity in the higher education sector, as well as the gap between higher education and the job market. An increasing number of university graduates face difficulty finding jobs in their discipline, and thus the unemployment rate for university graduates is the highest among all levels of education at nearly 5 percent. Another problem Taiwan higher education is facing is the steep decline in the birthrate. It is estimated that by 2023, the number of college entrants will be at 184,000, compared with 271,108 in 2013. The 32% decline is a major concern that threatens to cause a shortage of labor in the future workforce and force the closure of many higher education institutions. In response to the looming social and education crisis, Taiwan's Ministry of Education formed a Higher Education Innovation and Transformation Task Force in January 2016 to take a more aggressive position in overseeing the formation of an alliance among higher education institutions, as well as fostering collaboration between domestic and foreign universities and encouraging the establishment of experimental branch campuses, independent colleges, and certificate programs/courses. Higher quality teaching and research goes in tandem with higher education export value, which attracts students from neighboring countries to pursue their studies in Taiwan.

Nowadays, Taiwan's parents are more open to alternative educational options for their children. Despite the oversupply of local universities, admission slots are still very limited at top institutions, so parents are looking at alternative ways to prepare their children in the competitive global academic world. Therefore, growing demand is projected for high school exchange programs and summer youth camps in English-speaking countries, as well as in-country bilingual international schools. This trend, in turn, has resulted in an increasing number of Taiwan students pursuing undergraduate programs in the U.S. Based on IIE Open Doors reports over the past five years, the percentage of Taiwan students studying in the U.S. at the undergraduate level has risen significantly, from 24.8% in 2010 to 28.9%. Since many of these students

will remain in the U.S. for graduate-level studies, the economic contributions of Taiwan students will last longer and their affiliation with the U.S. will be even deeper, an encouraging positive trend. All of these points reflect a potential for growth in the high school and undergraduate market segments.

Taiwan has more than 55,000 students going abroad each year for degree, exchange, language and working holiday programs. Traditionally, the major foreign recruiters are from English-speaking locations such as the UK, Australia, Canada and New Zealand. In recent years, neighboring locations in Asia such as Hong Kong, China and Singapore have also become very active in recruiting Taiwan students or partnering with Taiwan schools. Going abroad to study is now more of a consumer choice, with students becoming savvier and selecting programs that offer the best value proposition for their time and money.

Taiwan is a stable and mature market for U.S. institutions, and the domestic supply of higher education institutions has reached a saturation point. Employability is one of the main factors students take into consideration when choosing a school, so career development or internship programs are becoming increasingly popular. Thus, it is advisable for U.S. schools to emphasize affordability and post-graduation job placement to attract Taiwan students. To maintain a leading position, U.S. schools should pursue deeper partnerships with Taiwan institutions for student/scholarly exchanges or joint degree programs. Engaging with student recruitment agencies, developing active alumni networks, and reaching out to potential students through fairs and social media are all recommended strategies.

### E-Learning

The Taiwan authorities recently passed a special draft bill establishing the Forward-looking Infrastructure Development Project. This eight-year (2017-2024) Project is designed to meet Taiwan's economic development needs for the next three decades by stimulating the economy and accelerating overall economic transformation. Part of the project includes upgrading Taiwan's digital infrastructure, of which NTD 19.15 billion (US\$638 million) will be invested in developing an efficient digital learning and teaching environment. The last time Taiwan's primary and secondary schools went through a major IT upgrade was in 2009; current broadband speed within and outside campuses is insufficient to support advanced learning technologies. The current proposed plan includes building high-speed campus internet networks, optimizing bandwidth, increasing the use of AR/VR technologies in classrooms, development of digital application services industries, construction of cloud services and big data computing platforms, developing an artificial intelligence (AI) high-speed computing platform, strengthening collaboration between academics and industries, and strengthening training related to broadband internet technologies in order to cultivate talent.

The growing sophistication and application of Massive Open Online Courses (MOOCs) is indicative of the increasing integration of IT into education. Educators are embracing education IT as they strive to extend educational resources to a broader audience, as well as design more personalized learning curricula. Game-based learning has become increasingly popular among teachers at all levels, and companies are seeing opportunities in supplying related technology and content.

The e-learning subsector is expected to grow significantly in the next few years. CS Taipei will write a separate report focused on opportunities in Taiwan's digital education market.

# Market Entry

For U.S. schools:

Partnership with local schools is a long-term strategy for U.S. schools when recruiting Taiwan students for joint-degree programs or short-term summer programs. In addition, many Taiwan universities have established Mandarin centers to educate foreign students. U.S. schools should consider increasing cultural and language exchanges with Taiwan schools. CS Taiwan can help U.S. schools connect with local universities or high schools for collaboration.

Partnership with student recruiting agents allows U.S. schools to have year-round exposure to the Taiwan market. Recruiting agents are one of the main resources used by Taiwan students and parents when planning to study abroad. CS Taiwan can help U.S. schools pre-screen prospective agents and arrange one-on-one meetings in Taipei, Taichung and Kaohsiung.

Participation in education fairs is another effective tool to consider. Fair organizers have a deep knowledge of the market and can greatly reduce U.S. schools' marketing expenses. Local fair organizers also counsel students throughout the year and are able to follow up with the students who attended the fair. Taiwan's major education fairs featuring U.S. schools include:

- OH! Study International Education Expo (Spring/Fall), co-sponsored by CS Taiwan
- USEAS Study World
- The Association of Boarding Schools Fair (TABS), co-sponsored by CS Taiwan
- AIEF Education Foundation Fair (AIEF)
- The MBA Tour
- QS Top MBA Fair

For e-learning companies:

Most new-to-market exporters entering Taiwan begin by finding a local partner to serve as an agent, distributor, and/or representative. Agents are the most common partnerships used by foreign firms to gain their initial foothold in Taiwan. The vast majority of Taiwan firms are small- and medium-sized enterprises (SMEs). They have deep connections with local education authorities and potential customers and can capably represent U.S. companies in Taiwan.

## Current Demand

- Degree programs in business, engineering, computer sciences, health care, education and fine arts
- Programs containing a work or internship component
- Pathway programs
- Joint degree programs with local universities
- High school programs

- Education IT (game-based learning or AR/VR technologies)

## Resources

- Taiwan Ministry of Education  
Add: No.5, Zhongshan S. Rd., Zhongzheng Dist., Taipei  
Tel: 886-2-7736-6666  
Website: <http://english.moe.gov.tw/>
- Digital Education Institute  
Add: No. 106 Heping E. Road, Sec. 2, Taipei  
Tel: 6631-8168  
Website: [http://web.iii.org.tw/About/Department.aspx?fm\\_sqno=36&dp\\_sqno=8](http://web.iii.org.tw/About/Department.aspx?fm_sqno=36&dp_sqno=8)

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